

REGISTERED IN ENGLAND AND WALES NUMBER: 00567460
CHARITY NUMBER: 314229



REPORT AND ACCOUNTS

FOR THE YEAR ENDED

29 FEBRUARY 2024

TALL SHIPS YOUTH TRUST

CONTENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

| | Pages |
|--|----------------|
| Reference and Administrative Details | 2 |
| Report of the Trustees and Strategic Report | 3 - 16 |
| Independent Auditors' Report | 17- 21 |
| Consolidated Statement of Financial Activities | 22 |
| Balance Sheets | 23 |
| Consolidated Statement of Cash flows | 24 |
| Principal Accounting Policies | 25-29 |
| Notes to the Financial Statements | 30 – 40 |

TALL SHIPS YOUTH TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 29 FEBRUARY 2024

Tall Ships Youth Trust is a company limited by guarantee and a registered charity.

| | |
|--------------------------|---|
| Charity Number | 314229 |
| Company Number | 00567460 |
| Principal Office | 2A The Hard, Portsmouth, PO1 3PT |
| Vice-Patrons | Mr I A Carruthers Mr P Coleman Mr D de Laszlo DL Lord Grade CBE Lord Greenway Mr M Le May Mr J Lennox Mr O Michaelson Mr D Tydeman Mr T Vokos Mrs C Williams |
| Trustees | Mr D Aisher, Chairman Mr N Andrews Mrs E Bradshaw Mr J Brown Mr P D'Ornano Mr S Edwards Mr M Layng (Appointed 8 December 2023) Mr A Martyn Mr P McDanell (Resigned 8 December 2023) Miss K Nazarin (Resigned 8 March 2024) Mr Z Rushdie (Appointed 20 November 2024) Miss T Stuiiver (Resigned 26 April 2023) Mrs M Verghese-Dipple |
| Chief Executive | Mr A Floyd |
| Company Secretary | Mr P Taylor |
| Auditor | Moore (South) LLP 9 St John's Place Newport Isle of Wight PO30 1LH |
| Bankers | Clydesdale Bank Plc Gatwick Business and Private Banking Centre 5 Peveril Court 6-8 London Road Crawley West Sussex RH10 8JE |

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

CHAIRMAN'S INTRODUCTION

The year ending 29 February 2024 was an exciting year of growth and development at Tall Ships Youth Trust. We implemented our new strategy empowering young people into adulthood, and for some, careers in the maritime and blue economy sectors through our new three-voyage journey of Exploration, Empowerment and Leadership. This was predicated on our commitment to UK Maritime 2050 and UNDP Development Goals for the blue economy. We committed to the development of our hubs across the UK to remove the barriers to participation for young people in youth development and outdoor learning. This saw us voyaging from Plymouth, South Wales, Belfast, Liverpool/Whitehaven, Glasgow/Greenock, Newcastle and Ipswich for several weeks of the year, with these locations specifically chosen to enable us to reach more young people in disadvantaged circumstances. We also significantly enhanced our development pathways for our young people, crews, volunteers and Portsmouth Hub Team.

Nearly 18 months into our new approach we have made significant progress across all areas. In the year ended 29 February 2024, we achieved the highest number ever of young voyagers on our Challenger fleet at 1,203. We are also working hard to ensure we are supporting young people from a diverse range of backgrounds - 79% of the young people we supported last year were experiencing disadvantage, 41% were female and 24% were from the global majority.

This reflects better identification and engagement of young people and their decision makers led by our Youth Development & Outdoor Learning team. Together, with an increased quality of voyage experience across the three-voyage journey, and better utilisation of our current fleet throughout all 12 months of the year through our Operations and Fleet Readiness team.

The resilience and determination of the young people we support continues to inspire us, and I hope you will take the time to read their feedback and impact statements later in this report. A crew of young people who have been voyaging with us as individuals over the last few years came together to take part in the Fastnet 2023 race. This was a once in a lifetime opportunity for this crew, only made possible by the support of the 24 members of the adult Fastnet crew who fundraised to cover their cost of participation. They also mentored and competed alongside our youth crew. The Fastnet race is considered one of the ultimate challenges in the outdoor environment, testing resilience, mindset, teamwork and leadership. Their success at the very top end of human performance reflects the strength and opportunity that our voyage programme now offers for all. Their stories are outlined on page 12.

We relied more than ever on our crews, supporters and donors in what was an extremely challenging environment for all. Conflict in Europe and the Middle East, political instability and rising costs across the UK created on-going challenges to the delivery of our work. The voyage experience, how it is delivered and the impact it has for young people is at the heart of what we do. Our crews and supporters continued to ensure that our voyagers were safe, inspired and saw positive adult role models across all their interactions with us.

Throughout the year, 449 adult voyagers significantly contributed to the work of the trust through paid voyage experiences. Our adult voyagers often become volunteers and donors as they are so inspired by the young people they interact with. They form part of the donor community who are the lifeblood of Tall Ships Youth Trust. In 2023/24, they helped ensure that we could launch and embed our new journey for young people and funding received contributed to voyages of Exploration, Empowerment and Leadership, together with the creation of employment pathways for young people reaching adulthood and development for our crews and staff.

As we look ahead, we are in a strong growth position at the Trust. The demand for our voyages is outstripping our capacity and in 2023, we were forced to turn away 120 young people. In 2024 this number will be circa 200. As a result, we are now actively planning to increase our future fleet and crew capability across the UK.

We invite you to work with us to significantly increase the number of young people that we reach creating the next generation of adults and leaders who are connected to the ocean.

David Aisher

Chair of Trustees, Tall Ships Youth Trust

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

OUR NEW APPROACH

We are now in year two of our strategy 2023 to 2028. This report reflects what's been achieved in year one (2023) and our plans for 2024.

Our **Vision** is a society where all young people strive to create better outcomes for themselves and for their communities.

Our **Charitable Mission** is to enable young people, particularly those from disadvantaged backgrounds, to change their lives at sea and contribute to the maritime sector and the blue economy.

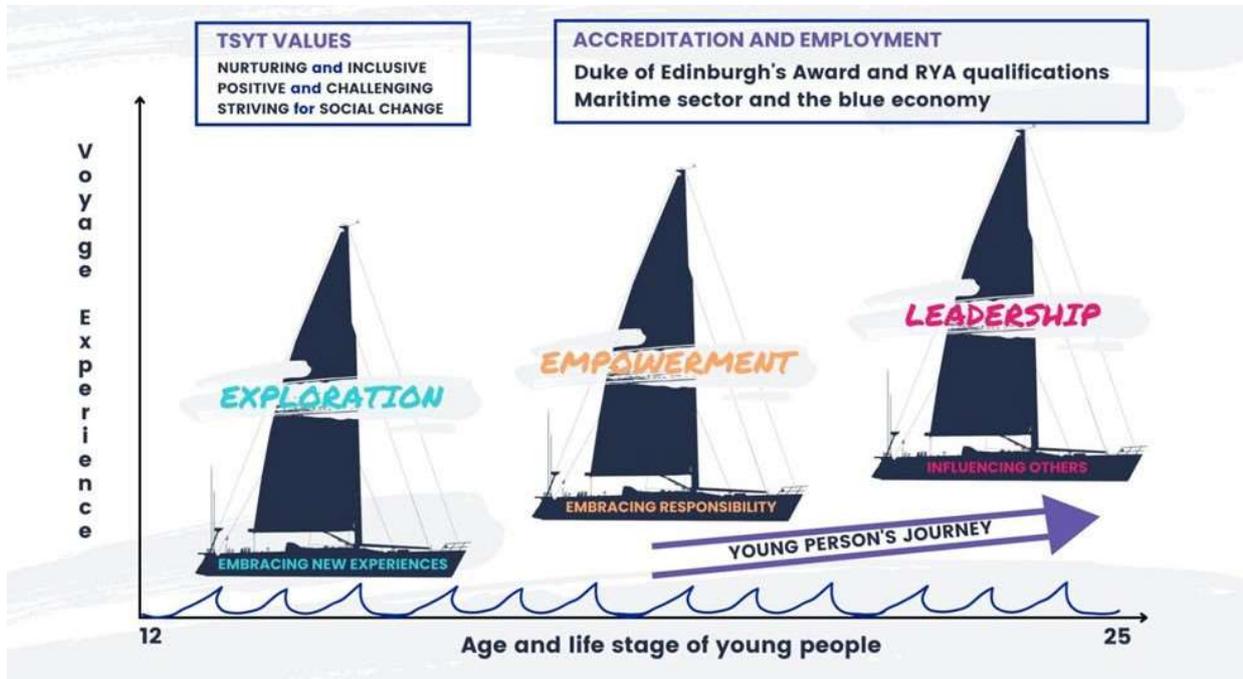
Our **Values** reflect our changing culture as a team, as a charity and as a society:

- **Nurturing and Inclusive** - We care for and encourage the development of all young people and adults who voyage with us; we include and integrate all people and groups in our work, especially those who are from disadvantaged backgrounds.
- **Positive & Challenging** – We are optimistic in all that we do, finding a way forward and making life happier; we challenge ourselves to seek the best in all of us and our voyagers, stimulating growth & learning.
- **Striving for Social Change** – We relentlessly pursue cultural, behavioural and institutional change through and for young people in society, and for the maritime environment.

Our **Purpose**: Out on the ocean we empower young people to realise their full potential, supporting them on their journey to adulthood and for some, careers in the maritime sector and the blue economy.

Our strategy from 2023 is now delivering 3 significant enhancements to the work of the trust:

1. **A young person's journey of 3-voyages over 3 years** (represented in the visual below). In this reporting year, 644 young people successfully completed a Voyage of Exploration; 119 young people completed a Voyage of Empowerment and we piloted our Voyage of Leadership in January 2024 with 11 young people.



TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

2. **Increasing our reach across the UK.** The visual here represents our continued increase in our reach. In this reporting year we have voyaged to/from: our Portsmouth Hub, Plymouth, Liverpool/Whitehaven, Belfast and Glasgow. Over this next year we will continue to increase our presence across the UK, removing the barriers to participation in our programme for young people.



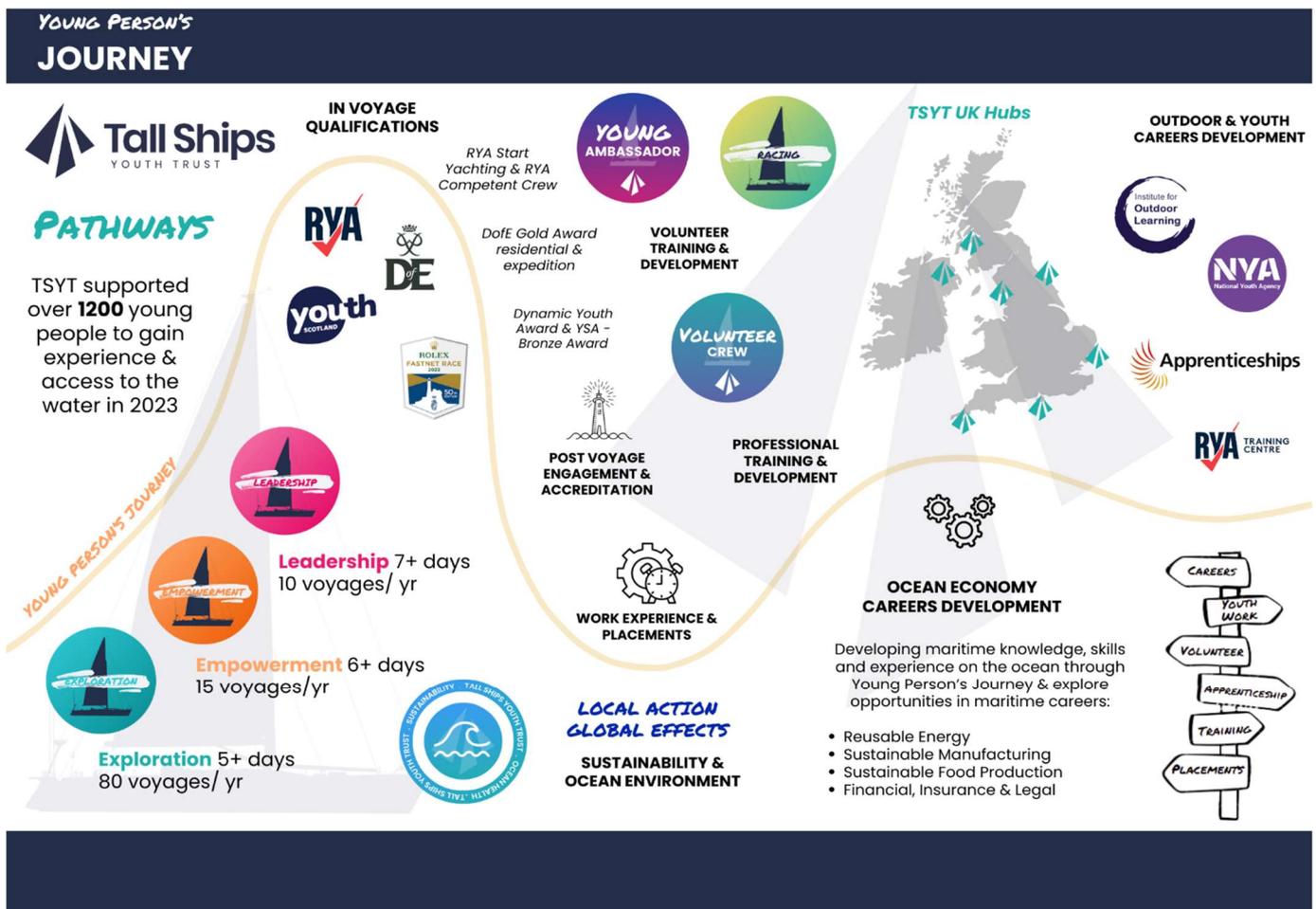
TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

3. **Development pathways for our crews, volunteers and Portsmouth Hub team** resulted in 4 Mates progressing to Skipper, 9 new Mates including 4 progressing from Watch Leader and 83 new Watch Leaders and youth mentors registered. For our Portsmouth Hub team: 3 staff progressed to Manager roles, 2 Managers progressed to Senior Leadership roles and 7 new team members joined us to enhance our capability in fundraising, digital engagement & marketing, youth development, operations and business support (3 of these roles were vacancies created from staff leaving on their own development journeys).

Additionally, in this past year we further developed pathways for young people into adulthood and employment. The visual below represents the entirety of the young person's pathway with us, from the 3-voyage journey including personal development, voyage progression, accreditation and qualifications, contribution to sustainable ocean environment and opportunities for apprenticeships and employment.

In reviewing the Trust's aims, objectives and planned activities, the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.



OUR BENEFICIARIES

Our young people on our 3-voyage programme were a huge inspiration to us all in this past year. From voyaging throughout the 12-months of the year to offer more challenging conditions on our voyages of Empowerment and Leadership, to focusing on the space in between voyages when they are back in their communities reflecting on their voyage experience, continuing to build on their personal, social and practical skills development and planning for their future engagement with Tall Ships Youth Trust (TSYT) through future voyages, to considering further training and career paths.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

Supporting our young people (sometimes through their decision makers) to feel connected to each other and to the Trust was a key area of focus in this year. Through our Youth Development & Outdoor Learning team, social channels and our web platform, we will be enhancing the ability for young people to feel even more connected in the coming year.

We also developed strong relationships with young people and their decision makers in Northern Ireland, Scotland and northeast England. We will continue to ensure more young people can access our 3-voyage programme from across the UK in the coming year.

For a small group of our young people who had embarked on their journey with us over the last few years, they achieved the ultimate success of completing the Fastnet 2023 ocean race in some of the most challenging conditions ever experienced (more on this on page 12).

IMPACT

We measure the impact of our work using processes based on The Association of Sail Training Organisations' Theory of Change alongside the Personal Development framework from Ofsted for education.

We now keep in contact with our young people over a longer period of time than ever before and have plans to develop a longitudinal study with a research partner (with expertise in the fields of outdoor learning and sport). This will help us understand and articulate how upstream investment in our programme improves outcomes for young people and therefore reduces the downstream impact and the need for social, health and justice services, resulting in a saving to society.

Since the three-voyage programme was introduced in February 2023, more than 1,200 young people have voyaged with us. This is the highest number of young people taken on the Challenger vessels in one year since they were acquired in 2008.

Young people from across the UK face adversity in their daily lives from personal circumstances and lived experiences, to additional needs that at times are not met. Post-Covid, the world is far more aware of the individual challenges faced by so many, as more and more young people and adults struggle with their mental and physical health, neurodiversity, barriers to learning, as well as aspects of geographical, economic, and social disadvantage.

Our work directly addresses these diverse challenges by extending support and fostering pathways for young people. In 2023 alone, 80% of our young people were from disadvantaged backgrounds. Of those young people, 59% were male, 41% were female, and 24% identified as belonging to the global majority, emphasising our dedication to serving diverse and marginalised communities.

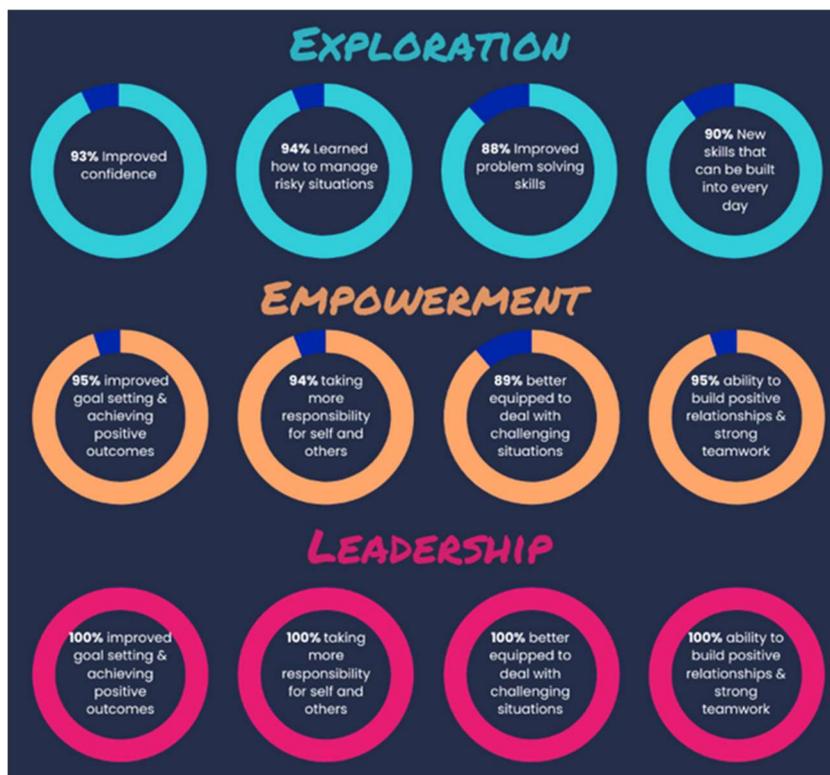
During 2023/2024 we ran over 80 Exploration voyages, 11 Empowerment voyages and piloted our first Leadership voyage in January 2024. As the programme evolves, the feedback we receive from our young people and their decision makers is being used to shape our delivery model, as this will ensure the best possible outcomes are achieved.

2023/24 outcomes for young people include:

- More than 800 Royal Yachting Association certificates were awarded.
- Supported more than 130 young people to achieve their DofE expeditions and Gold Award residentials.
- Over 120 young people received a recommendation to return and train as a volunteer, giving them the opportunity to support others and work towards a career in the maritime industry.
- 100 young people participated in sessions with the RNLI lifeboat centres in Cowes and Poole.
- 12 young people participated in a Q&A session with Pip Hare Ocean Racing in Poole.
- 20 young people took part in team building sessions hosted by the Royal Navy.
- 18 young people had a work experience placement with TSYT, including schools and apprentices from Defence, Equipment and Support (part of the MOD).

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024



The young people on their personal journey with us develop into strong members of the community, advocates of our work, young leaders, young ambassadors and role models for those just starting out. Through their TSYT experience, many go on to a career in the maritime sector, both on and off the water, including electrical engineering, ocean sailors, Master Mariners, the Merchant Navy and Royal Navy. Their memories and experiences with TSYT help shape their future lives and decision making.

Jed (21, first sailed with TSYT in 2018. Was part of our 2023 Fastnet youth crew and is now a qualified Watch Leader): *"Coming from the Northeast there are no opportunities to be a part of sailing in the area. My first experience with TSYT was in 2018. Then I was shy and lacked confidence in my decisions leading to a heavy reliance on others. But during my first voyage, I found I loved the teamwork aspect of the whole process. Preparing the vessel to hoist the sail was the most challenging yet invigorating task as it required communication to succeed, which really pushed me out of my comfort zone and drove me to take charge of the situation which helped build my confidence. The confidence TSYT helped me build led me to push myself further and achieve an apprenticeship in a traditional craft in an environment which before TSYT I wouldn't have dared to approach."*

Jessie (19, has a learning and physical disability that has prevented her from completing her A levels. Since leaving school she has found TSYT and participated in our first Leadership voyage. She now wants to pursue a career in the marine sector.): *"I've gained great insight into my strengths on the boat. It was really great to feel more confident as the days went on and to be able to take more leadership. I have developed my leadership skills on deck and in the galley. We were given space to lead and be led by others in a supportive and non-judgemental environment. This gave me confidence to lead others in areas I am not as confident in."*

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

ACHIEVEMENTS AND PERFORMANCE

Youth Development & Outdoor Learning

During the period covered by this report, we have continued to grow our programme resulting in 1200 young people joining a voyage with TSYT, the highest number since operating the Challengers and Ketch. 80% were from disadvantaged backgrounds considering a wide range of influencing factors from young carers, young people at risk of offending, neurodiversity and postcode poverty.

As we grow our client base, we are maintaining the near 25% growth in new clients, with 75% returning organisations, as we extend our programme more actively to include the winter period, this continues to support our overall growth in the number of young people and decision makers.

Through our hub developments, across the UK, we are continuing to engage young people and their decision makers in their home region to create access to the water and youth development opportunities for those most in need. Our programme is strengthening our time and connections in Plymouth, Belfast and Greenock as well as our home hub of Portsmouth. Extending our reach and time spent in our west coast hubs, allows us to reach across the breadth of the UK, identifying concentrations of disadvantaged young people who could benefit from our 3-voyage journey.

Within our voyage programme, we are committed to the provision of qualifications and accreditation with the Duke of Edinburgh Gold Award through residential and expedition sections and Youth Scotland's Dynamic Youth Award completion on all Scottish voyages for young people. In addition, ashore, we are expanding our skills set through the completion of Registered and Accredited Practitioners with Institute of Outdoor Learning and commencing our first apprentice at TSYT in 2024, a Youth Support Worker Apprenticeship supported by the National Youth Agency. The first step in many to providing placements, work experience and now fully employed apprentices with TSYT.

Fleet Activity and Maintenance

Our current fleet (four 72 foot Challengers and one 55 foot Ketch) were busy delivering 174 voyages and covering around 28,000 miles. 2023 saw the new 3-voyage programme fully integrated into the calendar with Exploration voyages, the first followed by six further Empowerment voyages and our first Leadership voyage. Given the additional lengths and complexities of the Empowerment and Leadership voyages, the total number of voyages (up from 153 in 2022) is indicative of how hard the fleet is working.

A number of Hubs were visited including Plymouth, Liverpool, Belfast, Greenock and Ipswich, with voyages run in and out of Greenock.

Three Challengers took part in the Fastnet Race, this time one of the adult crew supported (fully financially as well as in other ways) a youth entry. This was a very effective and powerful experience with many opportunities for all involved to learn and develop.

In 2023 the plan for the Challengers to be operational to circa 2040 progressed with further scoping as well as more detailed work. This will require significant investment between 2025 and 2029 in addition to routine and ongoing maintenance. Work was also undertaken with regards to expanding the fleet with an ambitious plan in the short term to bring another Challenger sized vessel online in 2025 as well as consideration for other types of vessels and longer-term plans to increase the fleet capacity to meet demand.

Safeguarding and Incidents

In 2023 the Safety Forum was further enhanced and the team widened. The Voyage Resourcing & Reservations Manager, Fleet Readiness & Maintenance Manager and Finance, Data & IT Manager now run the monthly meetings, with the CEO, Head of Operations and Designated Safeguarding Lead joining for quarterly reviews. The Safety Forum looks at and shares lessons learnt from incidents and any trends or areas that need further work to improve safety.

Trustees are updated on incidents monthly and more formally every quarter.

Work to improve safety culture continues specifically to include greater reporting of near misses and openness to considering and sharing learnings.

There were no Major Incidents declared in 2023.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

Safeguarding training remains a priority for all and ensuring we are compliant in our use of DBS Enhanced checks, TSYT underwent a compliance inspection in January 2024. With the addition of two policies for the Recruitment of ex-offenders and Handling of DBS Certificate Information, we are fully compliant submitting approximately 100 DBS checks a year showing commitment to the safe recruitment and retention of volunteers, freelancers and employed members of the team.

Raising Awareness and Increasing Our Reach

We are focused on removing the barriers which prevent young people from accessing our youth development programme, and as part of this now operate throughout all 12 months of the year (as opposed to the traditional sailing season).

We have also established regional hubs in Plymouth, Swansea, Belfast, Whitehaven, Greenock, Newcastle and Ipswich. We run voyages from these locations, (which align with the top 20 areas of deprivation in the country), for parts of the year, meaning that we have voyages available from within a two-hour reach from any location in the UK. We will also run engagement events from each of these locations to raise our profile locally.

This more effective utilisation of our fleet and improvement in accessibility has already significantly increased the number of young people we were able to support.

In terms of our digital presence, 2023/24 saw 38K users visit our website, and 12% of these users came from social media. In the same period, our total organic reach across our social media channels was 284K. We have a new Digital, Engagement and Marketing team in place who will continue to drive growth in this area and bring to life our plans to create the TSYT digital community. Our intent is to establish a digital platform to engage and communicate with the TSYT community with an initial focus on young people, their decision makers and volunteers as well as alumni, members, donors and key stakeholders.

2023/24 was an effective year in terms of audience engagement. Our first regional Hub event took place in Plymouth in April. Challenger 4 spent a week in Royal Albert Dock as part of the Eurovision celebrations, which included an ITV 'Good Morning Britain' superfan event. The summer was jam-packed with events including our charity partnership with British Classic Week and Cowes Week, as well as our first ever youth crew competing in the Fastnet race. We also had an exciting media opportunity provided to us by Run Communications, which saw British Kitesurfer and Olympic trainer Maddy Anderson join a crew from Youth Action Wiltshire for the final leg of their voyage.

Significant press and media coverage was achieved through events and campaigns including our BBC Radio 4 Appeal presented by Dan Snow. This included articles published in the Daily Express, International Express, BBC News, All at Sea, Sailing Today, Classic Yachts, Yachting Monthly, Daily Echo, the Bath and Wiltshire Parent, the Wiltshire and Gloucestershire Standard.

Fundraising

Despite a challenging economic climate and fundraising landscape, we achieved £1,104k in fundraising income during 2023/24. This is an increase of £96k (excluding the £150k prior year loan waiver) against the previous year and represents a 32% growth in fundraising income in 2 years (up from £834k in 2021/22). This is an incredible achievement and testament to the significant support we receive from our loyal funders and donors, many of whom support us year on year.

We raised £581k from over 130 Trusts and Foundations, and more than £58k combined from our highly successful BBC Radio 4 Appeal and Big Give Christmas Challenge. The 2023 Fastnet Race saw three TSYT Challengers taking part, and we are very grateful to the adult crew who between them also raised more than £48k, enabling our first ever youth crew to participate.

We now have a greater focus on digital marketing and engagement, along with several other exciting activities planned. This includes developing our membership scheme further, our British Classic Week and Cowes Week charity partnerships, our 'Round the Island Fundraising Challenge' and our first ever Spinnaker Tower abseil fundraising challenge.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

Fundraising (cont ...)

We would like to say huge thank you to all of the trusts and foundations, companies, individuals and members who continue to fund our work. This includes the Aiken Family, the Y C Chan Charitable Foundation, the Hargreaves Foundation, John Lyon's Charity, The Corporation of Trinity House, The Worshipful Company of Shipwrights, The Clare Foundation, The Swire Charitable Trust, the Hugo Halkes Charity, and the Royal Thames Yacht Club Charitable Trust, and our corporate fundraising partners Saltus and Barratt Developments for their long-standing support.

Tall Ships Youth Trust is a signed-up member of the Fundraising Regulator. The Trust is committed to ensuring ethical fundraising practices, and Trustees regularly confirm this is the case. We received zero complaints this year about our fundraising.

Volunteers and recommendations.

Pathways into volunteering are varied and established with TSYT. Throughout 2023/24, both young people and adults recommended by our TSYT crew (135 for Training Watch Leader (TWL) and Watch Leader (WL), 8 Youth Mentor and 3 Mate), have joined Volunteer Crew Training weekends and once signed off embarked on their continuing journey as a volunteer. As skills and competencies have been developed to progress our team, our (TWL), Youth Mentors and Volunteer Mates, have clear developmental pathways for progression through the roles onboard. For our young people under 16, they can return to voyage and support the role within the watch onboard, becoming a TWL when they turn 16. In addition, our Young Ambassadors team commencing in 2023 continues to grow and we have a number of young people supporting our events and publications through their own journey experiences to guide and inform others.

As a result of extending our reach, we are seeing more volunteers joining us through events, talks and presentations through sailing clubs and those who are on RYA training courses with members of our freelance teams who are RYA instructors. This additional source of volunteers is bringing a wealth of expertise in youth work, sailing and role models to grow our team and support our work.

We continue to be one of the largest issuers of Royal Yachting Association (RYA) certificates in the UK, issuing nearly 800 certificates in 2023/24 (494 RYA Start Yachting; 269 RYA Competent Crew). Most of the young people who sail with us have no sailing experience, but by the end of their voyage, the majority will have earned their RYA Start Yachting certificate, with many also going on to achieve their RYA Competent Crew certificate. This is the first step in the RYA training scheme.

There are a range of courses in this series for young volunteers. We currently offer development up to and including RYA Watch Leader level and support our young people through to Mate in terms of training and sea time, signposting qualifications with RYA providers. Additionally, TSYT and Trinity House link to provide funding for young people to achieve maritime qualifications including RYA Yachtmaster Coastal.

Recommendations

Supporting the 3-voyage programme, we also offer a recommendation for future voyaging to encourage our young people to continue their journey through Empowerment and Leadership voyages as well as the potential to put themselves forward for selection for Fastnet and other events surrounding maritime careers opportunities. In 2023/24, 384 young people were recommended to return to Empowerment and Leadership voyages combined and following seven Empowerment voyages and our inaugural leadership voyage in January 2024, our dedicated team of young people continue to advocate for those about to start their journey supporting through follow up engagement opportunities in careers, fundraising and work experience.

Duke of Edinburgh's Award

As an Approved Activity Provider for Duke of Edinburgh, we continue to see growing interest in completing the Gold Award residential onboard our voyages (voyages of 4+ nights qualify), resulting in over 100 young people completing their qualification with TSYT as part of it. Gold Expeditions are currently held onboard the Ketch and have welcomed back returning organisations to complete their full Gold Expedition training and expeditions onboard.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

FASTNET 2023

On 22nd July, 12 intrepid young people set out on the most challenging experience of their lives. The first update received from Rolex Fastnet HQ described the first 24 hours of the 2023 race as 'brutal first night at sea' leading to 15 vessels not starting, 86 vessels retiring, HMS coastguard involvement in 28 incidents including one sinking, four dismastings and some of the longest standing veterans and previous winners retiring from the race.

Our challenger crews made it through the first night, continuing through to achieve amazing results, all three crews safely completing the Fastnet 50th edition. The 695nm course from the Solent to Cherbourg via the Fastnet Rock off the southern tip of Ireland is a challenge to even the most seasoned racers, but for our youth crew, this was new, exciting, terrifying and incredible!

Emma, (Ch4 youth crew) "I think one of my biggest challenges personally was being able to stay motivated and continue to be positive when the conditions were so rough. One of the things that I appreciate about my team was the fact we all understood we were going through rough times together and everyone tried to help each other to make the harder times more bearable whether this was through endless rounds of sea shanties or even just a hot chocolate. Before the Fastnet selection, I'd only ever sailed once so my sailing abilities and understanding of how the challengers work have definitely improved."

Our youth crew campaign was fully funded by our team of adults onboard Ch2, spending time together before and after the event, our sponsoring crew were blown away by the youth crews experiences and dedication:

"They are so resilient, and they know how to overcome their limits. Meeting them on the boat was inspirational, and they should all be proud of their momentous achievement."

Completing the Fastnet is another 2023 goal for me too. Having been medically retired from the Army with anxiety/PTSD I have set myself a number of challenges. Fastnet has helped reinforce the concept of living in the moment and that whatever is happening it will always end." Jonathon (Ch2 adult crew).

The commitment to developing our youth presence at Fastnet and building programme opportunities for young people through a racing pathway is ongoing as is our commitment to building inclusivity and diversity on the water.

"I've completed the race 6 times now. In 2021 only 12% of the crews were women. I hope that having 3 women on the Ch4 TSYT team and a 50/50 gender split onboard Ch4 will inspire greater diversity and inclusion within the sport". Skipper, Sue (Ch4)

Following the great success of Fastnet23, the Fastnet 2025 campaign has begun!

"The biggest highlight has to be crossing the finish line with the whole team on deck. The applause that erupted when we heard the beep come over the radio felt like a huge celebration of everything we were able to achieve as a team." Emma (Ch4 youth crew)

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

RISK REVIEW

The major potential operational, reputation and financial risk profiles to which the Trust is exposed, as identified by the Board, are reviewed on an annual basis and systems enhanced to mitigate those risks. They fall into five categories, as described below:

Resource

Insufficient number of competent and trained crew/staff. Insufficient number of seagoing volunteers. Inability to attract and retain crew/staff, with competitive remuneration and flexible working. Loss of key members of crew/staff threatens effective voyage operations, donor management and growth plans.

Funding

Cashflow insufficient to operate the charity. Charity's net assets insufficient to cover restricted funds (note 19). Asset-to-loan ratio inadequate. Voyage income, routine fundraising and special initiatives fail to meet targets. Insufficient new funds identified to meet growing need.

Operational

Global event impacts on voyage programme. Certification failure of a vessel threatens programme. Crew shortage, medical, illness, or defects prevent vessel voyaging. Incident or serious accident to crew, staff or the public while operating the vessels. Incident at sea damages a vessel. Hub closure due to an onshore incident.

Reputational

Safeguarding incident with client, YP, voyager or team member as the Trust grows across the UK. Incident at sea leading to bad publicity. Financial sustainability and fundraising ethical risk. Failure of IT system security, CRM. GDPR and data breach.

Developmental

Development work fails to achieve targets. Hub facilities ineffective. Inability to secure next fleet vessel.

For all these risks, and their elemental constituents, mitigation has been put in place. Our Finance, Audit and Risk Committee regularly review our Risk Register, to ensure appropriate mitigation measures are in place and monitored. In turn, our Board support and monitor this process. Fundraising and Resourcing are uncertain and therefore higher risk, given environmental and economic conditions in the UK. The residual risk at 29 February 2024, for the other risk areas, is assessed to be low.

ENVIRONMENTAL POLICY

Our Sustainability Working Group (SWG), led by our management team, is developing our pathway towards ISO accreditation in environment sustainability over the next few years. On our voyages, alongside and on land, our young people are the workforce driving ocean sustainability and protection of our planet for future generations to come. We have committed to the RYA Green Blue Pledge to Respect, Enjoy and Protect our inland and marine waters, wildlife and habitats. We have also committed to supporting a sustainable ocean project with the IMO throughout our thousands of miles voyaging around the UK and internationally.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Tall Ships Youth Trust is a charitable company limited by guarantee. The governing documents are its Memorandum and Articles of Association. For the purposes of Company Law, the Trustees listed on page 2 are the directors of the company and are elected by resolution of the company at a general meeting. The company is administered under the control of the Trustees, sitting as a Board, who have general control of and responsibility for the strategic direction of the Trust and its subsidiary companies, and delegate day-to-day responsibility to the Executive team.

The trading operations of the Trust are devolved to its wholly owned subsidiary, Tall Ships Limited. As well as appointing directors to the subsidiary company, the Board can establish other committees to deal with different aspects of the Trust's work, as necessary.

Trustees are conscious of the ACEVO/NCVO/Charity Commission sponsored 'Code of Charity Governance' and have been applying considerable effort towards full compliance. In terms of leadership, one new Trustee joined the Trust in this reporting year, following screening and selection on the Board's behalf by a Nomination and Remuneration Committee. This consists of four Trustees including the Chairman and Vice Chairman. Candidates are invited to meet at least two Members of the Committee and the Chief Executive. All new Trustees also receive a full briefing on the Trust's financial performance, business plans and key issues, and meet key employees. On conclusion of this process, the Committee recommend candidates to the Board which decides on the appointment and, if successful, co-opts the individual until the next AGM at which their appointment is ratified by the members.

The Trust has an induction programme for Trustees. The programme includes visits to the Trust's Portsmouth hub and main operating base, introduction to new youth initiatives, coverage of the charity's aims and how they are being fulfilled, the role and duties of the Trustees, company and charity law and governance, and financial and risk management.

We are keen to promote a spirit of openness within the charity – between Trustees, Executives, Beneficiaries, Volunteers and Supporters. Use of virtual technology for our AGM, combined with a physical meeting, ensured a high level of engagement across our members.

During the year, we have been pleased to appoint Martyn Layng to the Trustee Board. Martin has a significant technical maritime background and will contribute much to our long-term maintenance and strategic direction of our growing Challenger Fleet. We say goodbye with sincere thanks to our long-serving trustee Philip McDanell. Philip has been a critical member of the Board since joining in 2014, devoting considerable amounts of his time to our Finance Committee and has helped steer us through some very challenging years, including Covid. Also leaving us is Kiera Nazarin who has been our voice for the young people, having sailed on our vessels and taking up the post of Watch Leader. Both will be sorely missed and we thank them for their valuable contribution to the Trust.

We delegate responsibility to the Finance, Audit and Risk Committee for reporting to the Board about financial matters including forecast cash flows and our risk profile. The Committee considers the financial statements and risk register, meets regularly with the Chief Executive and Finance Director, and oversees the appointment of the external auditors, and reviews their findings.

Day-to-day management of the Trust is delegated to the Chief Executive, who oversees the on-shore and off-shore operations including youth development, voyaging, income generation and business functions.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2024

FINANCIAL REVIEW

During the year the Trust generated overall income of £1,893,250 (2023 - £1,748,759. The majority £1,104,351 (2023 - £1,158,432 being donations, legacy income and membership income from supporters. Direct voyage fees of £781,382 (2023 - £586,938 were received from the voyage programme and combined with restricted bursary funds of £699,227 (2023 - £726,028 resulting in £1,480,609 voyage income (2023 - £1,312,966 for the trading subsidiary Tall Ships Limited to run voyages throughout the year. Tall Ships Limited generated a surplus in the year of £322,700 (2023 - £236,081.

The consolidated group result for the year was a surplus on general funds of £136,933 (2023 – surplus £108,111, reduced by a deficit on restricted voyage funds of £91,424 (2023 - deficit £122,244.

Overall, the unrestricted funds increased to £377,889 (2023 – increase to £240,956, however the restricted and bursary funds reduced from £922,458 to £831,034. There was no change in the small balance of endowment funds. The group net asset position was therefore £1,260,055 – (2023 - £1,214,546 and the Trust entity position reduced from £1,402,632 to £1,329,343. The overall cash flow position was a reduction in cash balances of £49,081 (2023 – reduction of £162,169.

There are material uncertainties around the charity's ability to continue as a going concern due to the timing of cashflows. This has largely been caused by the significant reduction in the generation of donations associated with the worsening economic climate, as described in the going concern accounting policy on page 25.

FUTURE FINANCIAL PROSPECTS AND RESERVES POLICY

The removal of substantial Covid restrictions has had a significantly positive impact on our ability to operate at full capacity over this and coming years. Our current operating model is effective, producing a cashflow surplus under normal trading.

We continue to repay historic loan debts following the disposal of the brig. We have restructured the loan agreement with The Corporation of Trinity House with repayment plans over longer terms and repayments have commenced. We are very grateful for their continued support and understanding.

The final payment of the liability to the Merchant Officers Pension Fund was made in September 2023, further improving our debt position.

Our new Strategic Plan is in full operation, covering the 5-year period 2023-2028. We have a strong and diverse Board of Trustees alongside competent, trained and motivated on-shore and off-shore staff, led by a CEO experienced in fundraising, commercial business and leading change.

As part of this work, we are evaluating the plan to raise sufficient funds to acquire an additional vessel to increase our capacity and to meet the demand for our services. We will then be in a stronger and more sustainable financial position going forward.

The Trustees' long-term objective is to build the Trust's reserves to protect our charitable mission against unexpected events. We have therefore set a medium-term goal of building available liquid assets of unrestricted funds to meet any potential gap between income and expenditure, to build sufficient assets to cover restricted funds and to such level that unrestricted funds return to positive balance.

The Trust will continue to make progress in terms of the number of young people we take to sea, particularly those who are from disadvantaged backgrounds, our net operating income, and our fundraising capacity.

TALL SHIPS YOUTH TRUST

REPORT OF THE TRUSTEES AND STRATEGIC REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also Directors of Tall Ships Youth Trust for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to Auditors

In so far as each of the Trustees are aware: -

- there is no relevant information of which the charitable company's auditors are unaware; and
- the Trustees have taken all necessary steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report, which also meets the requirements of the Directors' Report for company law purposes has been prepared in accordance with the special provisions applicable to small companies and the charities SORP 2019 (FRS 102)

Auditors

Moore (South) LLP have expressed their willingness to continue in office, and a resolution for their reappointment for the next financial year will be put to the Annual General Meeting.

ON BEHALF OF THE TRUSTEES



David Aisher

Chairman of the Board of Trustees

Dated: 27 February 2025

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 29 FEBRUARY 2024

Opinion

We have audited the consolidated financial statements of Tall Ships Youth Trust (the 'charitable parent company' and its subsidiary (the 'group' for the year ended 29 February 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable parent company's affairs as at 29 February 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw your attention to the going concern accounting policy on page 25 in the financial statements, which indicates that the group has a deficit of assets making up unrestricted funds of £1,242,315. As stated in the accounting policy, these events and conditions, along with the other matters as set out, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 29 FEBRUARY 2024

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and their environment obtained in the course of the audit, we have not identified material misstatements in Directors' Report, included in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's financial statements are not in agreement with the accounting records; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the consolidated financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirements to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14 the trustees, who are also the directors of the charitable parent company for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the trustees are responsible for assessing the groups and charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 29 FEBRUARY 2024

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company and the group.

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Revenue recognition was also identified as part of our audit planning as a significant risk to the audit. Although the processing and recording of transactions is straight forward, there is the risk that revenue might not be recognised within the correct accounting period.
- Some income received is restricted in its use and a significant risk was identified regarding the correct classification of income between restricted and unrestricted funds and that the expenditure against this income was in line with any specified restrictions.
- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and we considered the most significant to be the Companies Act 2006, the Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the charitable company complies with these requirements by discussions with management and those charged with governance.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 29 FEBRUARY 2024

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- The consolidated financial statements of the group incorporate the results of the subsidiary company. Moore (South) LLP are auditors to the whole group and the same approach has been adopted to the subsidiary company as is appropriate to that entity.

In response to the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed transactions with related parties, in particular the management charges and transactions with group entities;
- reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation; and
- tested a sample of invoices to ensure expenditure was for bona fide expenses and has been appropriately authorised.

In response to the risk of incorrect recognition of income we:

- performed analytical procedures including comparing revenue received to the prior period and to budgets;
- vouched a sample of donations and grants received in the year to supporting documentation; and
- tested a sample of gifts and donations received around the balance sheet date to agree income has been included within the correct accounting period.

In response to the classification of income between restricted and unrestricted we:

- agreed a sample of grants and donations recorded in the nominal ledger to source documentation to ensure any restrictions were correctly identified,
- agreed a sample of expenses incurred to ensure that they had been allocated to the appropriate fund; and
- obtained and reviewed fund analysis workings to ensure that the calculations were correct and agreed to the accounting records.

TALL SHIPS YOUTH TRUST

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 29 FEBRUARY 2024

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the charitable parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and the charitable parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sue Lucas (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP
Chartered Accountants
Statutory Auditor

9 St Johns Place
Newport
Isle of Wight
PO30 1LH

TALL SHIPS YOUTH TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 29 FEBRUARY 2024

| | | Unrestricted Funds | Restricted Funds | Endowment Funds | Total Funds Year to | Total Funds Year to |
|--|------|-------------------------|-------------------------|------------------------|---------------------------|---------------------------|
| | Note | 2024 £ | 2024 £ | 2024 £ | 29/2/2024 £ | 28/2/2023 £ |
| Income and Endowments from: | | | | | | |
| Donations and legacies | 2 | 762,637 | 341,714 | - | 1,104,351 | 1,158,432 |
| Investments | | 5,526 | 1,991 | - | 7,517 | 3,389 |
| Government grants | | - | - | - | - | - |
| Charitable activities | 3 | <u>781,382</u> | <u>-</u> | <u>-</u> | <u>781,382</u> | <u>586,938</u> |
| Total income | | <u>1,549,545</u> | <u>343,705</u> | <u>-</u> | <u>1,893,250</u> | <u>1,748,759</u> |
| Expenditure on: | | | | | | |
| Raising funds | 5 | 360,721 | - | - | 360,721 | 371,671 |
| Charitable activities | 5 | <u>1,051,891</u> | <u>435,129</u> | <u>-</u> | <u>1,487,020</u> | <u>1,391,221</u> |
| Total expenditure | | <u>1,412,612</u> | <u>435,129</u> | <u>-</u> | <u>1,847,741</u> | <u>1,762,892</u> |
| Net movement in funds | | 136,933 | (91,424) | - | 45,509 | (14,133) |
| Transfer between funds | | - | - | - | - | - |
| Other recognised gains / (losses) | | | | | | |
| Gain on revaluation of fixed assets | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>854,810</u> |
| Net movement in funds | | 136,933 | (91,424) | - | 45,509 | 840,677 |
| Fund balances brought forward At 1 March 2023 | | <u>240,956</u> | <u>922,458</u> | <u>51,132</u> | <u>1,214,546</u> | <u>373,869</u> |
| Fund balances carried forward At 29 February 2024 | | <u>377,889</u> ===== | <u>831,034</u> ===== | <u>51,132</u> ===== | <u>1,260,055</u> ===== | <u>1,214,546</u> ===== |

The accompanying accounting policies and notes form an integral part of these financial statements.

All operations of the Trust and its subsidiaries are classed as continuing.

There was no movement on the endowment funds in either the current or prior year and so no separate income and expenditure account is included.

TALL SHIPS YOUTH TRUST

BALANCE SHEETS AS AT 29 FEBRUARY 2024

| | <u>Note</u> | Consolidated | | Tall Ships Youth Trust | |
|--|-------------|---------------------|-------------------------------|-------------------------------|-------------------------------|
| | | 29/2/2024 | 28/2/2023 restated | 29/2/2024 | 28/2/2023 restated |
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | 1,745,730 | 1,887,083 | 1,745,730 | 1,887,083 |
| | | ===== | ===== | ===== | ===== |
| Current assets | | | | | |
| Stocks | | 9,081 | 8,780 | 250 | 250 |
| Debtors | 12 | 86,111 | 66,550 | 70,497 | 48,804 |
| Investments | 13 | 6,642 | 6,124 | 6,642 | 6,124 |
| Cash at bank and in hand | | 192,739 | 241,820 | 146,057 | 226,224 |
| | | 294,573 | 323,274 | 223,446 | 281,402 |
| Creditors: amounts falling due within one year | 14 | (500,063) | (630,070) | (359,648) | (400,112) |
| Net current liabilities | | (205,490) | (306,796) | (136,202) | (118,710) |
| Total assets less current liabilities | | 1,540,240 | 1,580,287 | 1,609,528 | 1,768,373 |
| Creditors: amounts falling due after more than one year | 15 | (280,185) | (365,741) | (280,185) | (365,741) |
| | | 1,260,055 | 1,214,546 | 1,329,343 | 1,402,632 |
| | | ===== | ===== | ===== | ===== |
| Capital funds | | | | | |
| Endowment funds | 16 | 51,132 | 51,132 | 51,132 | 51,132 |
| Income funds | | | | | |
| Restricted funds | 17 | 831,034 | 922,458 | 831,034 | 922,458 |
| Revaluation reserve | 18 | 1,620,204 | 1,735,524 | 1,620,204 | 1,735,524 |
| Other unrestricted funds | 18 | (1,242,315) | (1,494,568) | (1,173,027) | (1,306,482) |
| | | 1,260,055 | 1,214,546 | 1,329,343 | 1,402,632 |
| | | ===== | ===== | ===== | ===== |

The financial statements were approved by the Trustees on 27 February 2025



David Aisher
Chairman of the Board

Charity Number: 314229 Company Number: 00567460

The accompanying accounting policies and notes form an integral part of these financial statements.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2024

| | 29/2/2024 | 28/2/2023 | |
|--|------------------|------------------|------------------|
| | Group | Group | |
| | £ | £ | |
| Cashflow from operating activities | | | |
| Net cashflow from operations | See Below | | |
| | <u>39,338</u> | <u>130,590</u> | |
| Total cashflow from operating activities | <u>39,338</u> | <u>130,590</u> | |
| Cashflow from investing activities | | | |
| Interest received | 7,517 | 3,389 | |
| Payments to acquire fixed assets | <u>(380)</u> | <u>(15,594)</u> | |
| Total cashflow on Investing activities | <u>7,137</u> | <u>(12,205)</u> | |
| Cash from financing activities | | | |
| Repayments of borrowing | <u>(95,556)</u> | <u>(280,554)</u> | |
| Net cash provided by (used in) financing activities | <u>(95,556)</u> | <u>(280,554)</u> | |
| Net Increase/(decrease) in cash and cash equivalents | <u>(49,081)</u> | <u>(162,169)</u> | |
| Cash and cash equivalents at 1 March 2023 | <u>241,820</u> | <u>403,989</u> | |
| Cash and cash equivalents at 29 February 2024 | <u>192,739</u> | <u>241,820</u> | |
| | ===== | ===== | |
| Cash and cash equivalents consist of: | | | |
| Cash at bank and in hand | <u>192,739</u> | <u>241,820</u> | |
| Cash and cash equivalent at 29 February 2024 | <u>192,739</u> | <u>241,820</u> | |
| | ===== | ===== | |
| Reconciliation of income to net cashflow from operations: | | | |
| | 29/2/2024 | 28/2/2023 | |
| | £ | £ | |
| Net income resources | 45,509 | 840,677 | |
| Depreciation charges | 141,733 | 139,726 | |
| Investment income | (7,517) | (3,389) | |
| Change in value of investments | (518) | (301) | |
| (Increase)/decrease in stocks | (301) | 600 | |
| (Increase)/decrease in debtors | (19,562) | 104,112 | |
| Increase/(decrease) in creditors | (120,006) | (96,025) | |
| Revaluation in year | - | <u>(854,810)</u> | |
| | ----- | ----- | |
| Net cash outflow from operations | <u>39,338</u> | <u>130,590</u> | |
| | ===== | ===== | |
| Analysis of changes in net debt | | | |
| | 1/3/2023 | Cashflows | 29/2/2024 |
| | £ | £ | £ |
| Long term borrowing | | | |
| Bank loan | (171,297) | 55,556 | (115,741) |
| Loans from Trustees and funders | <u>(290,000)</u> | <u>40,000</u> | <u>(250,000)</u> |
| | ----- | ----- | ----- |
| Total liabilities | <u>(461,297)</u> | 95,556 | <u>(365,741)</u> |
| Bank and cash balances | <u>241,820</u> | <u>(49,081)</u> | <u>192,739</u> |
| | ----- | ----- | ----- |
| Total net debt | <u>(219,477)</u> | 46,475 | <u>(173,002)</u> |
| | ===== | ===== | ===== |

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2024

ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

General Information and Accounting Convention

Tall Ships Youth Trust is a charitable company limited by guarantee, registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office, together with the objects of the Charity are given in the charity information on pages 2 and 4 respectively of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the charitable company's Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charitable company and rounded to the nearest £1.

Going Concern

The Charity's revenues derive principally from various forms of donations and voyage income.

Since the end of pandemic restrictions, voyage income has picked up and fundraising remains encouraging. However, there has been a worsening of the general economic climate, including the situation in Ukraine – evidenced by a steep rise in inflation and interest rates. Since 2022, there has generally been a significant reduction in charitable donations in the UK market associated with those wider economic conditions. These may impact negatively on future voyage revenues and / or donations.

The Charity has an operating subsidiary, Tall Ships Limited, which runs the voyage programme. Tall Ships Limited had a net liability at the year-end of £418,988 (2023 £741,688). Accordingly, the Charity provides ongoing financial support to Tall Ships Limited of £349,697 (2023 £563,610) by way of an inter-company loan, which it has confirmed it will not seek repayment of within the next 12 months. The long-standing pension deficit in Tall Ships Limited has been eliminated during the year (2023 £92,595).

The Charity has a deficit of assets making up the unrestricted funds, as explained in note 18. This stems from the sale of the brig in 2017 for considerably less than had been expected. The Charity continues to focus on correcting this deficit, which is steadily reducing.

The situations described above continue to create a material uncertainty relating to going concern due to the timing and level of future cash flow.

In order to monitor the financial position of the Charity, the Charity's Finance Audit and Risk Committee continues to meet on a regular basis to evaluate and develop strategies to minimise non-essential expenditure, develop fundraising income and review cash flow forecasts.

The Charity continues to monitor costs in all areas and continues to pay off the historic loans and debts. The revaluation of the Challenger assets in 2022 has significantly contributed to overall balance sheet reserves.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2024

In light of the above, with the exception of the above described material uncertainty, the Trustees have a reasonable expectation that the Charity will continue in operational existence for the foreseeable future and, accordingly, the accounts are prepared on the going concern basis.

Basis of Consolidation

The group financial statements consolidate those of the charitable company and of its subsidiary undertaking. The results of the charitable company's trading subsidiary, Tall Ships Limited, have been consolidated on a line by line basis. Surpluses or deficits on intra-group transactions are eliminated in full.

A separate statement of financial activities and income and expenditure account for the charitable company itself are not presented because the charitable company has taken advantage of the exemptions afforded by the Companies Act 2006.

FUND ACCOUNTING

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general charitable objectives, and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Endowment funds represent those assets which must be held permanently by the charity. Expendable Endowments permit the Charity to spend the capital sum on suitable capital projects with the permission of the donor. Income arising on the endowment funds can be used in accordance with the objects of the charity and is transferred to the general funds. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the relevant fund. The purpose and use of each expendable endowment fund is set out in the notes to the financial statements.

INCOME RECOGNITION POLICIES

Donations and Gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed performance restrictions, in which case recognition is deferred until the pre-condition has been met.

Legacies are recognised as receivable once probate has been granted, notification has been received and sufficient information is available to make a realistic assessment of the value of the charitable companies entitlement.

Intangible income is valued and included in income to the extent that it represents goods or services which would otherwise be purchased. An equivalent amount is charged as expenditure. Voluntary help is not included as income.

Life subscriptions are counted in full when received.

Donations and any associated income tax recoveries when donated under gift aid are credited as income when the amounts are received.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2024

Activities for Generating Funds

Revenue from activities such as special fundraising events is recognised in the period in which the activity or event occurs.

Investment income

Investment income is recognised when receivable.

Incoming Resources from Charitable Activities

Revenue from voyage fees is recognised in the period in which the voyage commences.

Grants Receivable

Income from Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes details of the costs in relation to fundraising events, following up donations, and seeking voluntary contributions and donations from supporters, and available sources;
- Expenditure on charitable activities includes the costs of the charity's work with young people, sailing trips and other residential activities including all planning activities, maintenance of the Charity's assets, preparation and follow up; and
- Other expenditure represents those items not falling into the categories above.
- Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Allocation of Support Costs

Support costs are those that assist the work of the charity, but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Charity's main base in Portsmouth. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises and other overheads have been allocated on a basis relating to use and the proportion of staff time incurred on those matters.

The analysis of these costs is included in note 6.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2024

TANGIBLE FIXED ASSETS AND DEPRECIATION

Individual assets costing £250 or more are capitalised. Yachts are stated at valuation and other tangible fixed assets are stated at cost, net of depreciation and any impairment losses. Depreciation is calculated on all tangible fixed assets to write down the cost or valuation less estimated residual value by annual instalments over their expected useful lives. Any excess depreciation on revalued assets is transferred to the revaluation reserve on an annual basis. The periods generally applicable are: -

| | |
|----------------------------------|------------------------|
| Yachts | 15 years Straight line |
| Computers and Office Equipment | 5 years Straight line |
| Display and Exhibition Equipment | 5 years Straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying value of the asset, and is recognised in the statement of activities.

As part of the periodic review of asset useful lives conducted at each reporting date, the charitable company reassessed the estimated useful life of the Challenger yachts. Effective 1 March 2023, the Challenger yachts have been determined to have an estimated useful life of 15 years.

This change in estimated useful life has led to an adjusted annual depreciation charge of £120,000. Under the original depreciation schedule, which estimated a 15-year useful life from the purchase date, the depreciation expense would have been £787,500.

IMPAIRMENT OF FIXED ASSETS

At each reporting date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

FOREIGN CURRENCIES

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

INVESTMENTS

Assets held for investment purposes are included at market value.

Traded securities are valued at the mid-point quotation in the Stock Exchange Daily List. Other investment assets are included at the Trustees' best estimate of market value. Donated shares that come with a requirement that they be held for a fixed period are included in the Balance Sheet at a value assessed by the Trustees at the date of receipt. This value is then reviewed by the Trustees at each balance sheet date.

STOCKS

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition.

Provision is made for damaged, obsolete and slow-moving stock where appropriate.

TALL SHIPS YOUTH TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 29 FEBRUARY 2024

DEBTORS

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

CREDITORS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

RETIREMENT BENEFITS

Defined Contribution Scheme

The pension costs charged in the period represent the amount of the contributions payable to the scheme in respect of the accounting period.

Defined Benefit Scheme

Some former employees of the Trust's active subsidiary, Tall Ships Limited, were members of a multi-employer scheme. Tall Ships Limited is unable to identify its share of the underlying assets and liabilities of this scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement Benefits', accounts for it as if it were a defined contribution scheme.

OPERATING LEASE AGREEMENTS

Rentals payable and receivable under operating leases are charged as an expense to the SOFA on a straight-line basis over the period of the lease.

TAXATION

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

FINANCIAL ASSETS AND LIABILITIES

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

1. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

| | | Unrestricted Funds | Restricted Funds | Endowment Funds | Total Funds Year to 28/2/2023 | Total Funds Year to 28/2/2022 |
|--|------|-----------------------|---------------------|--------------------|--|--|
| | Note | 2023 £ | 2023 £ | 2023 £ | 2023 £ | 2022 £ |
| Income and Endowments from: | | | | | | |
| Donations and legacies | 2 | 779,461 | 378,971 | - | 1,158,432 | 833,465 |
| Investments | | 1,415 | 1,974 | - | 3,389 | 2,317 |
| Government grants | | - | - | - | - | 33,663 |
| Charitable activities | 3 | <u>586,938</u> | - | - | <u>586,938</u> | <u>425,889</u> |
| Total income | | <u>1,367,814</u> | <u>380,945</u> | - | <u>1,748,759</u> | <u>1,295,334</u> |
| Expenditure on: | | | | | | |
| Raising funds | 5 | 371,671 | - | - | 371,671 | 329,539 |
| Charitable activities | 5 | <u>888,032</u> | <u>503,189</u> | - | <u>1,391,221</u> | <u>1,203,015</u> |
| Total expenditure | | <u>1,259,703</u> | <u>503,189</u> | - | <u>1,762,892</u> | <u>1,532,554</u> |
| Net movement in funds | | 108,111 | (122,244) | - | (14,133) | (237,220) |
| Transfer between funds | | - | - | - | - | - |
| Other recognised gains / (losses) | | | | | | |
| Gain on revaluation of fixed assets | | <u>854,810</u> | - | - | <u>854,810</u> | - |
| Net movement in funds | | 962,921 | (122,244) | - | 840,677 | (237,220) |
| Fund balances brought forward At 1 March 2022 | | (721,965) | 1,044,702 | 51,132 | 373,869 | 611,089 |
| Fund balances carried forward At 28 February 2023 | | <u>240,956</u> | <u>922,458</u> | <u>51,132</u> | <u>1,214,546</u> | <u>373,869</u> |

2. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted £ | Restricted £ | 29/2/2024 £ | 28/2/2023 £ |
|------------|-------------------|-----------------|------------------|------------------|
| Donations | 705,796 | 341,714 | 1,047,510 | 1,050,687 |
| Legacies | 23,744 | - | 23,744 | 74,848 |
| Membership | 33,045 | - | 33,045 | 32,897 |
| Other | <u>52</u> | - | <u>52</u> | - |
| | <u>762,637</u> | <u>341,714</u> | <u>1,104,351</u> | <u>1,158,432</u> |

Of the comparative donations figure £378,971 was in respect of restricted funds.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

3. INCOME FROM CHARITABLE ACTIVITIES

| | 29/2/2024 £ | 28/2/2023 £ |
|------------------------------------|------------------|------------------|
| Gross voyage fees | 1,480,609 | 1,312,966 |
| Less bursaries utilised from funds | <u>(699,227)</u> | <u>(726,028)</u> |
| | 781,382 | 586,938 |
| | ===== | ===== |

All income from charitable activities for both years was unrestricted.

4. NET INCOME FROM ACTIVITIES OF SUBSIDIARIES

The Charity's only active subsidiary is Tall Ships Limited (02844027). Registered office address: 2a The Hard, Portsmouth, Hampshire, PO1 3PT. A summary of its results for the period is set out below:-

| | 29/2/2024 £ | 28/2/2023 £ |
|-------------------------|--------------------|--------------------|
| Turnover-voyage fees | 1,480,609 | 1,312,966 |
| Operating costs | <u>(1,156,025)</u> | <u>(1,069,473)</u> |
| Operating Profit/(loss) | 324,584 | 243,493 |
| Finance costs | <u>(1,884)</u> | <u>(7,412)</u> |
| Net profit/(loss) | 322,700 | 236,081 |
| | ===== | ===== |

The net assets and liabilities of the active subsidiary are:

| | 29/2/2024 £ | 28/2/2023 £ |
|--|------------------|------------------|
| Current assets | 71,127 | 51,879 |
| Creditors: amounts falling due within one year | <u>(490,115)</u> | <u>(793,567)</u> |
| Total net liabilities | <u>(418,988)</u> | <u>(741,688)</u> |
| Aggregate of share capital and reserves | <u>(418,988)</u> | <u>(741,688)</u> |
| | ===== | ===== |

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

5. ANALYSIS OF EXPENDITURE

| | 28/2/2024 £ | 28/2/2023 £ |
|---|------------------|------------------|
| Cost of raising funds: | | |
| Fundraising costs | 330,231 | 370,511 |
| Allocation of support and governance costs (see note 6) | <u>30,490</u> | <u>1,160</u> |
| | 360,721 | 371,671 |
| | ===== | ===== |
| Charitable activities | | |
| Ship related costs | 941,991 | 797,166 |
| Depreciation | 141,732 | 136,726 |
| Allocation of support and governance costs (see note 6) | 125,691 | 38,155 |
| Interest payable and similar finance charges | 27,248 | 20,066 |
| Other voyage and support expenses | <u>250,358</u> | <u>396,108</u> |
| | 1,487,020 | 1,391,221 |
| | ===== | ===== |
| Restricted funds | 435,129 | 503,189 |
| Unrestricted funds | <u>1,412,612</u> | <u>1,259,703</u> |
| | 1,847,741 | 1,762,892 |
| | ===== | ===== |

6. SUPPORT AND GOVERNANCE COSTS

| | | Support £ | Governance £ | 29/2/2024 £ | 28/2/2023 £ |
|-------------------------|-------------------|--------------|-----------------|----------------|----------------|
| Support costs | Method | | | | |
| Payroll and HR | Total resources | 10,071 | - | 10,071 | 11,995 |
| Property costs | Total resources | 25,762 | - | 25,762 | 25,858 |
| Office costs | Total resources | 21,543 | - | 21,543 | 10,078 |
| IT and Website | Total resources | 11,296 | - | 11,296 | 11,034 |
| Marketing | Direct activities | 21,379 | - | 21,379 | 35,338 |
| Other | Total resources | 11,176 | - | 11,176 | 17,213 |
| Governance costs | | | | | |
| Auditors remuneration | | - | 37,175 | 37,175 | 38,155 |
| Administrative expenses | | - | 6,901 | 6,901 | 1,160 |
| Legal Fees | | <u>-</u> | <u>10,878</u> | <u>10,878</u> | <u>-</u> |
| | | 101,227 | 54,954 | 156,181 | 150,831 |
| | | ===== | ===== | ===== | ===== |

Support and Governance costs are allocated to Cost of Raising Funds and Charitable activities as follows:

| | | | | |
|-----------------------|---------------|---------------|----------------|----------------|
| Cost of Raising Funds | 19,762 | 10,728 | 30,490 | 16,626 |
| Charitable activities | <u>81,465</u> | <u>44,226</u> | <u>125,691</u> | <u>134,205</u> |
| | 101,227 | 54,954 | 156,181 | 150,831 |
| | ===== | ===== | ===== | ===== |

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

7. OTHER COSTS

| | 29/2/2024 £ | 28/2/2023 £ |
|---------------------------------------|----------------|----------------|
| The surplus is stated after charging: | | |
| Auditors' remuneration | | |
| Audit services | 28,775 | 25,300 |
| Non-audit services | <u>8,400</u> | <u>12,855</u> |
| | 37,175 | 38,155 |
| Depreciation | 141,733 | 139,726 |
| Operating lease rentals | <u>8,403</u> | <u>12,901</u> |
| | ===== | ===== |

8. EMPLOYEES

Employee costs during the period were as follows:

| | 29/2/2024 £ | 28/2/2023 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 651,934 | 557,925 |
| Social security costs | 57,174 | 50,654 |
| Other pension costs | <u>70,997</u> | <u>61,484</u> |
| | 780,105 | 670,063 |
| | ===== | ===== |

The average number of full time equivalent employees during the period were as follows:

| | 29/2/2024 Number | 28/2/2023 Number |
|-------------------------------|---------------------|---------------------|
| Management and administration | 18 | 17 |
| | == | == |

The average number of employees based on head count was 21 (2023: 19).

The total costs attributable to senior management personnel amounted to £356,691 for the year to 29 February 2024 (2023: £232,802). Senior management personnel comprise the Chief Executive Officer, Finance and Business Support Director, Director of Youth Development and Outdoor Learning, Head of Operations, and the Head of Fundraising and Marketing. The emoluments of higher paid employees fell within the following ranges:

| | 28/2/2024 Number | 28/2/2023 Number |
|---------------------|---------------------|---------------------|
| £70,001 to £80,000 | 1 | 1 |
| £80,001 to £90,000 | - | 1 |
| £90,001 to £100,000 | 1 | - |
| | == | == |

9. PAYMENTS TO TRUSTEES AND CONNECTED PERSONS

No Trustee received remuneration in the period, directly or indirectly, from either the charity or an institution or company controlled by the charity.

Expense reimbursements for travel and subsistence were not paid to Trustees during the year (2023: £nil) and there were no expenses paid on behalf of a trustee.

Trustee indemnity insurance paid on behalf of Trustees and officers in the year was £3,553 (2023: £4,450).

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

10. SURPLUS/(DEFICIT) OF EXPENDITURE OVER INCOME

The consolidated Statement of Financial Activities includes the results of the Charity's wholly owned subsidiary – Tall Ships Limited, which operates voyages. Details of the results of the trading subsidiary are set out in note 4.

The summary financial performance of the Charity alone was:

| | 29/2/2024 | 28/2/2023 |
|---|---------------------------|---------------------------|
| | £ | £ |
| Income | | |
| Income from donations and legacies | 1,104,351 | 1,158,432 |
| Other income | 203,909 | - |
| Investment income | <u>7,517</u> | <u>3,389</u> |
| Total income | <u>1,315,777</u> | <u>1,161,821</u> |
| Expenditure | | |
| Raising funds | (355,078) | (356,210) |
| Charitable activities | <u>(1,033,988)</u> | <u>(1,055,823)</u> |
| Total expenditure | <u>(1,389,066)</u> | <u>(1,412,033)</u> |
| Revaluation in year | - | 854,810 |
| Net income for the year | (73,289) | 604,598 |
| Total funds brought forward on 28 February 2023 | <u>1,402,632</u> | <u>798,034</u> |
| Total funds carried forward at 29 February 2024 | <u>1,329,343</u> ===== | <u>1,402,632</u> ===== |

11. TANGIBLE FIXED ASSETS

Consolidated and Tall Ships Youth Trust

| | Yachts | Computers, Fixtures & Equipment | Total |
|-------------------------------------|---------------------------|--|---------------------------|
| | £ | £ | £ |
| Cost or valuation: | | | |
| At 1 March 2023 | 1,885,917 | 99,952 | 1,985,869 |
| Additions in year | <u>-</u> | <u>380</u> | <u>380</u> |
| At 29 February 2024 | <u>1,885,917</u> ===== | <u>100,332</u> ===== | <u>1,986,249</u> ===== |
| Depreciation: | | | |
| At 1 March 2023 | 46,962 | 51,824 | 98,786 |
| Provided in the period | <u>125,728</u> | <u>16,005</u> | <u>141,733</u> |
| At 29 February 2024 | <u>172,690</u> ===== | <u>67,829</u> ===== | <u>240,519</u> ===== |
| Net book amount at 29 February 2024 | <u>1,713,227</u> ===== | <u>32,503</u> ===== | <u>1,745,730</u> ===== |
| Net book amount at 28 February 2023 | <u>1,838,955</u> ===== | <u>48,128</u> ===== | <u>1,887,083</u> ===== |

The Yachts are given as security against a number of loans included in creditors. The net book value of yachts given as security was £840,000 (2023: £900,000).

The Challenger Yachts are included above at a net book value of £450,000 based on a professional valuation completed by Berthon International Limited, an international yacht brokers, in 2023.

Not all class of yachts were revalued. The Ketch was not revalued due to its bespoke nature.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

11. FIXED ASSETS (continued)

The figures stated above for cost or valuation in respect of Yachts comprise assets at:

| | £ |
|-----------|----------------|
| Cost | 1,094,928 |
| Valuation | <u>790,989</u> |
| | 1,885,917 |
| | ===== |

If certain fixed assets had not been re-valued, they would have been included on the historical cost basis at the following amounts:

| | Yachts £ 29/2/2024 | Yachts £ 28/2/2023 |
|-------------------------------------|--------------------------|--------------------------|
| Cost | 1,094,928 | 1,094,928 |
| Accumulated depreciation | <u>(1,001,905)</u> | <u>(991,497)</u> |
| Net book amount at 29 February 2024 | 93,023 | 103,431 |
| | ===== | ===== |

12. DEBTORS

| | Consolidated | | Tall Ships Youth Trust | |
|------------------------------------|--------------|---------------|------------------------|---------------|
| | 29/2/2024 | 28/2/2023 | 29/2/2024 | 28/2/2023 |
| | £ | £ | £ | £ |
| Amounts owed by group undertakings | - | - | - | 10,004 |
| VAT recoverable | 12,197 | 18,647 | 2,893 | 4,813 |
| Other debtors | 65,926 | 18,028 | 64,098 | 16,169 |
| Prepayments | <u>7,988</u> | <u>29,875</u> | <u>3,506</u> | <u>17,818</u> |
| | 86,111 | 66,550 | 70,497 | 48,804 |
| | ===== | ===== | ===== | ===== |

13. CURRENT ASSET INVESTMENTS

| | Consolidated | | Tall Ships Youth Trust | |
|-----------------------------|--------------|-----------|------------------------|-----------|
| | 29/2/2024 | 28/2/2023 | 29/2/2024 | 28/2/2023 |
| | £ | £ | £ | £ |
| UK investments – COIF Funds | 6,642 | 6,124 | 6,642 | 6,124 |
| | ===== | ===== | ===== | ===== |

Unlisted investments have been invested in COIF units, held in the name of a supporter's branch, and are at market value.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Consolidated | | Tall Ships Youth Trust | |
|---------------------------------|---------------|----------------|------------------------|---------------|
| | 29/2/2024 | 28/2/2023 | 29/2/2024 | 28/2/2023 |
| | £ | £ | £ | £ |
| Bank Loan | 55,556 | 55,556 | 55,556 | 55,556 |
| Loans from Trustees and funders | 30,000 | 40,000 | 30,000 | 40,000 |
| Payments received on account | 203,625 | 232,728 | 203,625 | 232,728 |
| Trade creditors | 119,199 | 127,414 | 5,463 | 21,855 |
| Social Security and other taxes | 14,661 | 14,148 | 14,661 | 14,148 |
| Other creditors and accruals | <u>77,022</u> | <u>160,224</u> | <u>50,343</u> | <u>35,825</u> |
| | 500,063 | 630,070 | 359,648 | 400,112 |
| | ===== | ===== | ===== | ===== |

Loans from Trustees and funders are secured by fixed charges over the Trust's vessels (see note 11).

The bank loan is secured on fixed and floating charges over the assets of the charity.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Consolidated | | Tall Ships Youth Trust | |
|---------------------------------|---------------|----------------|------------------------|----------------|
| | 29/2/2024 | 28/2/2023 | 29/2/2024 | 28/2/2023 |
| | £ | £ | £ | £ |
| Loans from Trustees and funders | 220,000 | 250,000 | 220,000 | 250,000 |
| Bank loan | <u>60,185</u> | <u>115,741</u> | <u>60,185</u> | <u>115,741</u> |
| | 280,185 | 365,741 | 280,185 | 365,741 |
| | ===== | ===== | ===== | ===== |

Loans from Trustees and funders are secured by fixed charges over the Trust's vessels (see note 11).

The bank loan is secured on fixed and floating charges over the assets of the charity.

In the prior year, included within other creditors, is the pension deficit owed by Tall Ships Limited (see note 20), which was fully repaid in the current year.

16. ENDOWMENT FUNDS

| | Michael Crocker £ | Nova Scotia £ | Lord Burnham £ | Total £ |
|---|-------------------------|---------------------|----------------------|------------|
| At 1 March 2023 and at 29 February 2024 | 13,277 | 12,952 | 24,903 | 51,132 |
| | ===== | ===== | ===== | ===== |

The Michael Crocker fund was set up in memory of a yachtsman murdered in February 1982. The income is for contributions to voyage fees for pupils of Henley College. The Nova Scotia fund was set up in memory of trainees who died on the sailing ship "Marques" which sank off Bermuda during the 1984 American Tall Ships race. The income is shared with the American Sail Training Association and is to support a voyage berth. The Lord Burnham fund was set up in his memory following his death in June 1993. Income is for contributions to Voyage fees aboard the Trust's ships for trainees ideally, but not exclusively, from Eastern Europe.

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

17. RESTRICTED FUNDS

| | Balance at 1/3/2023 £ | Income £ | Expenditure £ | Transfer £ | Balance at 29/2/2024 £ |
|------------------------|-----------------------------|-------------------------|---------------------------|-------------------|------------------------------|
| International fund | 199,123 | 1,991 | - | - | 201,114 |
| Legacy fund | 138,179 | - | (84,837) | - | 53,342 |
| Other specific funds | <u>585,156</u> | <u>341,714</u> | <u>(350,292)</u> | <u>-</u> | <u>576,578</u> |
| Total restricted funds | <u>922,458</u> ===== | <u>343,705</u> ===== | <u>(435,129)</u> ===== | <u>-</u> ===== | <u>831,034</u> ===== |

The Specific Funds are donations made to the Trust to be used for specified purposes. At 29 February 2024 there were 380 separate funds (2023: 404). The Trust is reviewing the ongoing obligations of restricted funds.

The International Fund is restricted within the accounts of the Trust for the support of international sail training activities.

The legacy fund is monies received to be used for youth trip voyages in the North Devon, North-West Somerset and Exmoor National Park areas.

Year to 28 February 2023 comparative period

| | Balance at 1/3/2022 £ | Income £ | Expenditure £ | Transfer £ | Balance at 28/2/2023 £ |
|------------------------|-----------------------------|-------------------------|---------------------------|-------------------|------------------------------|
| International fund | 197,149 | 1,974 | - | - | 199,123 |
| Legacy fund | 240,467 | - | (102,288) | - | 138,179 |
| Other specific funds | <u>607,086</u> | <u>378,971</u> | <u>(400,901)</u> | <u>-</u> | <u>585,156</u> |
| Total restricted funds | <u>1,044,702</u> ===== | <u>380,945</u> ===== | <u>(503,189)</u> ===== | <u>-</u> ===== | <u>922,458</u> ===== |

18. UNRESTRICTED FUNDS

Consolidated

| | General Reserve £ | Revaluation Reserve £ | Total £ |
|---|-----------------------------|-----------------------------|-------------------------|
| At 1 March 2022 | (1,155,695) | 433,730 | (721,965) |
| Adjustment to brought forward (note 24) | <u>(446,984)</u> | <u>446,984</u> | - |
| Revised at 1 March 2022 | <u>(1,602,679)</u> | <u>880,714</u> | <u>(721,965)</u> |
| Income | 1,367,814 | - | 1,367,814 |
| Outgoing resources | <u>(1,259,703)</u> | - | <u>(1,259,703)</u> |
| Revaluation in year | <u>-</u> | <u>854,810</u> | <u>854,810</u> |
| At 28 February 2023 | <u>(1,494,568)</u> ===== | <u>1,735,524</u> ===== | <u>240,956</u> ===== |
| Income | 1,549,545 | - | 1,549,545 |
| Outgoing resources | <u>(1,412,612)</u> | - | <u>(1,412,612)</u> |
| Transfer between reserves | <u>115,320</u> | <u>(115,320)</u> | <u>-</u> |
| At 29 February 2024 | <u>(1,242,315)</u> ===== | <u>1,620,204</u> ===== | <u>377,889</u> ===== |

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

| Tall Ships Youth Trust | General Reserve £ | Revaluation Reserve £ | Total £ |
|--|---------------------------------|---------------------------|-------------------------|
| At 1 March 2022 | (731,530) | 433,730 | (297,800) |
| Adjustment to brought forward (note 24) Revised at 1 March 2022 | <u>(446,984)</u> (1,178,514) | <u>446,984</u> 880,714 | <u>-</u> (297,800) |
| Income | 780,876 | - | 780,876 |
| Expenditure | (908,844) | - | (908,844) |
| Revaluation in year | <u>-</u> | <u>854,810</u> | <u>854,810</u> |
| At 28 February 2023 | (1,306,482) | 1,735,524 | 429,042 |
| Income | 972,072 | - | 972,072 |
| Expenditure | (953,937) | - | (953,937) |
| Transfer between reserves | <u>115,320</u> | <u>(115,320)</u> | <u>-</u> |
| At 29 February 2024 | <u>(1,173,027)</u> ===== | <u>1,620,204</u> ===== | <u>447,177</u> ===== |

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total £ |
|---|-------------------------|-----------------------|----------------------|------------------|
| Consolidated at 29 February 2024 | | | | |
| Tangible fixed assets | 1,745,730 | - | - | 1,745,730 |
| Current assets | (587,593) | 831,034 | 51,132 | 294,573 |
| Current liabilities | (500,063) | - | - | (500,063) |
| Creditors: due after more than one year | <u>(280,185)</u> | <u>-</u> | <u>-</u> | <u>(280,185)</u> |
| | 377,889 | 831,034 | 51,132 | 1,260,055 |
| | ===== | ===== | ===== | ===== |
| Tall Ships Youth Trust at 29 February 2024 | | | | |
| Tangible fixed assets | 1,745,730 | - | - | 1,745,730 |
| Current assets | (658,720) | 831,034 | 51,132 | 223,446 |
| Current liabilities | (359,648) | - | - | (359,648) |
| Creditors: due after more than one year | <u>(280,185)</u> | <u>-</u> | <u>-</u> | <u>(280,185)</u> |
| | 447,177 | 831,034 | 51,132 | 1,329,343 |
| | ===== | ===== | ===== | ===== |

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

Year to 28 February 2023 comparative period

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total £ |
|---|----------------------------|--------------------------|-------------------------|------------|
| Consolidated at 28 February 2023 | | | | |
| Tangible fixed assets | 1,887,083 | - | - | 1,887,083 |
| Current assets | (650,316) | 922,458 | 51,132 | 323,274 |
| Current liabilities | (630,070) | - | - | (630,070) |
| Creditors: due after more than one year | (365,741) | - | - | (365,741) |
| | 240,956 | 922,458 | 51,132 | 1,214,546 |
| | ===== | ===== | ===== | ===== |
| Tall Ships Youth Trust at 28 February 2023 | | | | |
| Tangible fixed assets | 1,887,083 | - | - | 1,887,083 |
| Current assets | (692,188) | 922,458 | 51,132 | 281,402 |
| Current liabilities | (400,112) | - | - | (400,112) |
| Creditors: due after more than one year | (365,741) | - | - | (365,741) |
| | 429,042 | 922,458 | 51,132 | 1,402,632 |
| | ===== | ===== | ===== | ===== |

Most restricted donations are to cover, in part, the costs of a voyage and most of the costs of voyages are spent in advance, starting with buying a boat and having the organisation to run the trips. The above note shows a notional allocation of assets between restricted and unrestricted. These assets are not segregated. The analysis shows that after allocating assets to restricted funds, there is a deficit of assets represented by other unrestricted funds. This situation has existed since the sale of the brig in the year to February 2018 for considerably less than had been expected. The charity is focused on correcting this situation.

20. PENSIONS

Defined contribution scheme

The group makes contributions towards individual pension schemes for the benefit of employees. The assets of these schemes are administered by Trustees in funds independent from those of the Tall Ships Youth Trust and its subsidiary companies. Contributions made during the period are disclosed in note 8.

Defined benefit scheme

A number of former employees of the Trust's subsidiary Tall Ships Limited ("TSL") have belonged to an industry wide pension scheme. The Trustees of the scheme have advised TSL that part of the scheme is in deficit and it is apportioning the deficit between participating employers. Interest is accruing on the residual of the 2009 and 2012 pension scheme deficits and a payment plan was completed during the year £ Nil (2023 - £92,595).

TALL SHIPS YOUTH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024

21. LEASING COMMITMENTS

At the reporting date, the Trust had the following minimum future lease commitments:

| | 29/2/2024 | | 28/2/2023 | |
|----------------------------|-----------------------|---------------|-----------------------|---------------|
| | Land & Buildings £ | Other £ | Land & buildings £ | Other £ |
| Within one year | 25,000 | 13,337 | 25,000 | 12,641 |
| Between two and five years | <u>45,833</u> | <u>38,951</u> | <u>70,833</u> | <u>10,108</u> |
| | 70,833 | 52,288 | 95,833 | 22,749 |
| | ===== | ===== | ===== | ===== |

22. RELATED PARTY TRANSACTIONS

The aggregate donations from Trustees to the charity during the year was £12,550 (2023: £4,230).

The aggregate Trustee membership subscriptions during the year were £650 (2023: £650).

23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

| Group balances | 29/2/2024 £ | 28/2/2023 £ |
|---|------------------|------------------|
| Financial assets at amortised cost | 277,504 | 284,619 |
| Financial liabilities at amortised cost | <u>(576,623)</u> | <u>(763,083)</u> |
| Net financial liabilities | (299,119) | (478,464) |
| | ===== | ===== |

The Charity's financial assets comprise investments and cash and bank balances. Financial liabilities include trade creditors, loans, accruals and other creditors.

24. PRIOR PERIOD ADJUSTMENT

During the financial year, an error was identified in the allocation of funds between the general reserve and the revaluation reserve within unrestricted funds. The funds had been incorrectly classified in the prior period.

An adjustment has been made to the prior period balances, resulting in an increase in the revaluation reserve of £446,984 as of 1 March 2022, and a corresponding decrease in the general reserve by the same amount. This correction has no impact on the total unrestricted funds but ensures accurate reporting of reserve allocations.

Tall Ships Youth Trust

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